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January 25, 2007

David L. Sieradzki  
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Marlene Dortch  
Secretary  
Federal Communications Commission  
445 – 12th St., SW  
Washington, DC 20554

Re: WC Docket No. 06-90, Georgia Public Service Commission Petition for Declaratory Ruling

Dear Ms. Dortch:

SouthEast Telephone, Inc. ("SouthEast") made two *ex parte* presentations today regarding the proceeding referred to above: (1) to Commissioner McDowell and his legal advisors, Angela Giancarlo and John Hunter; and (2) to Ian Dillner, legal advisor to Commissioner Tate. Yesterday SouthEast made an *ex parte* presentation to Commissioner Adelstein and his legal advisor, Scott Bergmann. Darrell Maynard, President of SouthEast, and Jeff Speaks and I participated in these meetings on behalf of SouthEast. We presented the attached materials.

Please contact me if you have any questions.

Respectfully submitted,

A handwritten signature in black ink that reads "David Sieradzki".

David L. Sieradzki  
Counsel for SouthEast Telephone, Inc.

cc: Commissioner Jonathan S. Adelstein  
Commissioner Robert M. McDowell  
Scott Bergmann  
Ian Dillner  
John W. Hunter  
Angela E. Giancarlo

# ***SouthEast Telephone***

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## **Action Is Needed to Preserve Competition in Rural Telecommunications Markets**

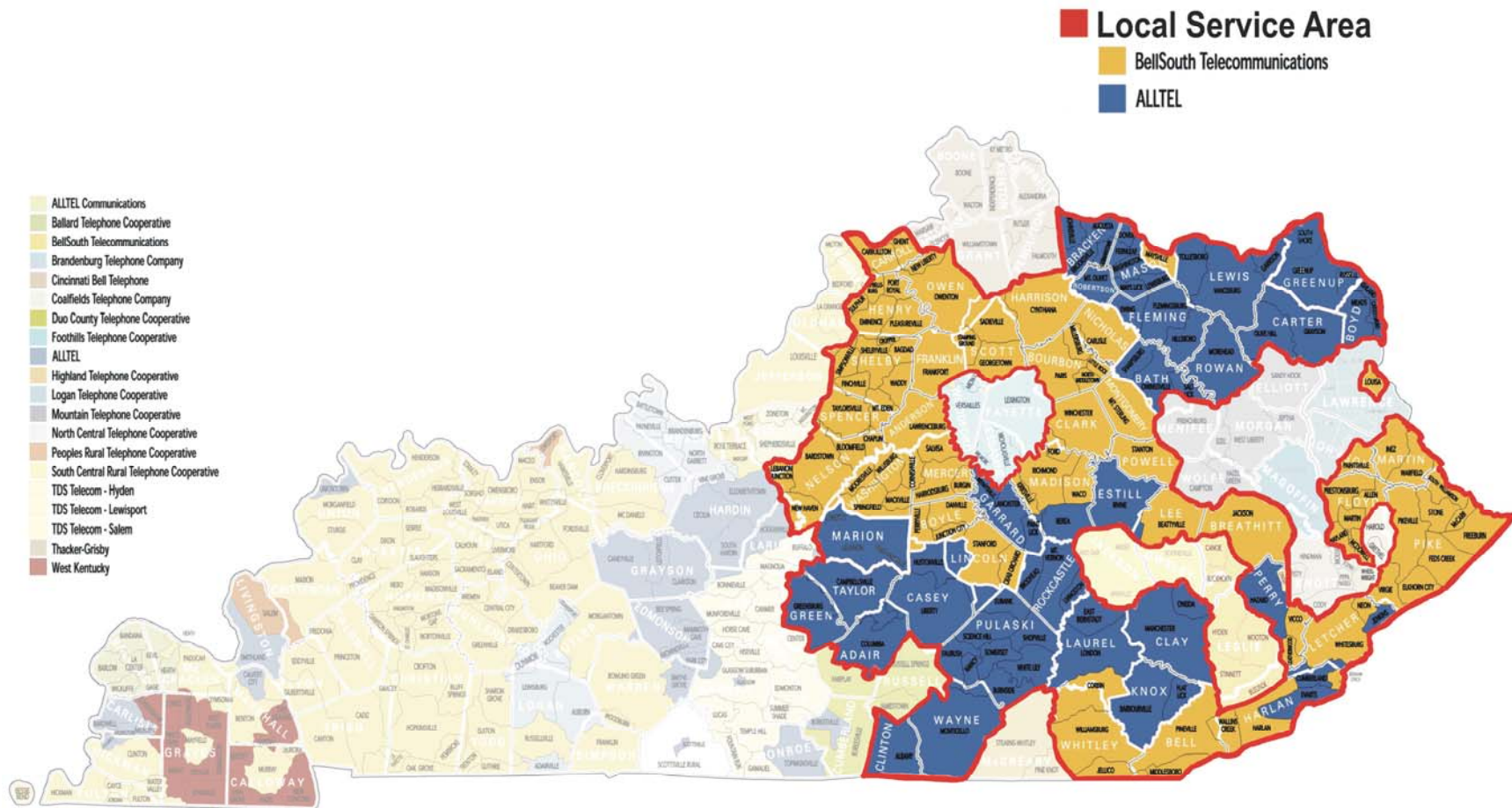
Darrell Maynard  
President, SouthEast Telephone, Inc.  
Pikeville, Kentucky

January 2007


# Summary


- SouthEast is a facilities-based CLEC providing telecom and Internet service to mass market consumers in the rural areas served by AT&T/BellSouth in Kentucky.
- SouthEast is deploying broadband fiber to consumers in our rural service areas.
  - This competitive deployment will benefit consumers, but due to sparse population density in rural areas, is relatively costly and time-consuming.
- In the meantime, we still need to use AT&T/BellSouth network elements and combinations in order to compete and serve customers.
  - State PSCs must have authority to ensure that RBOCs provide §271 “Competitive Checklist” elements at just and reasonable terms and rates in rural areas.

# SouthEast Telephone: Focused on Rural, Mass-Market Consumers

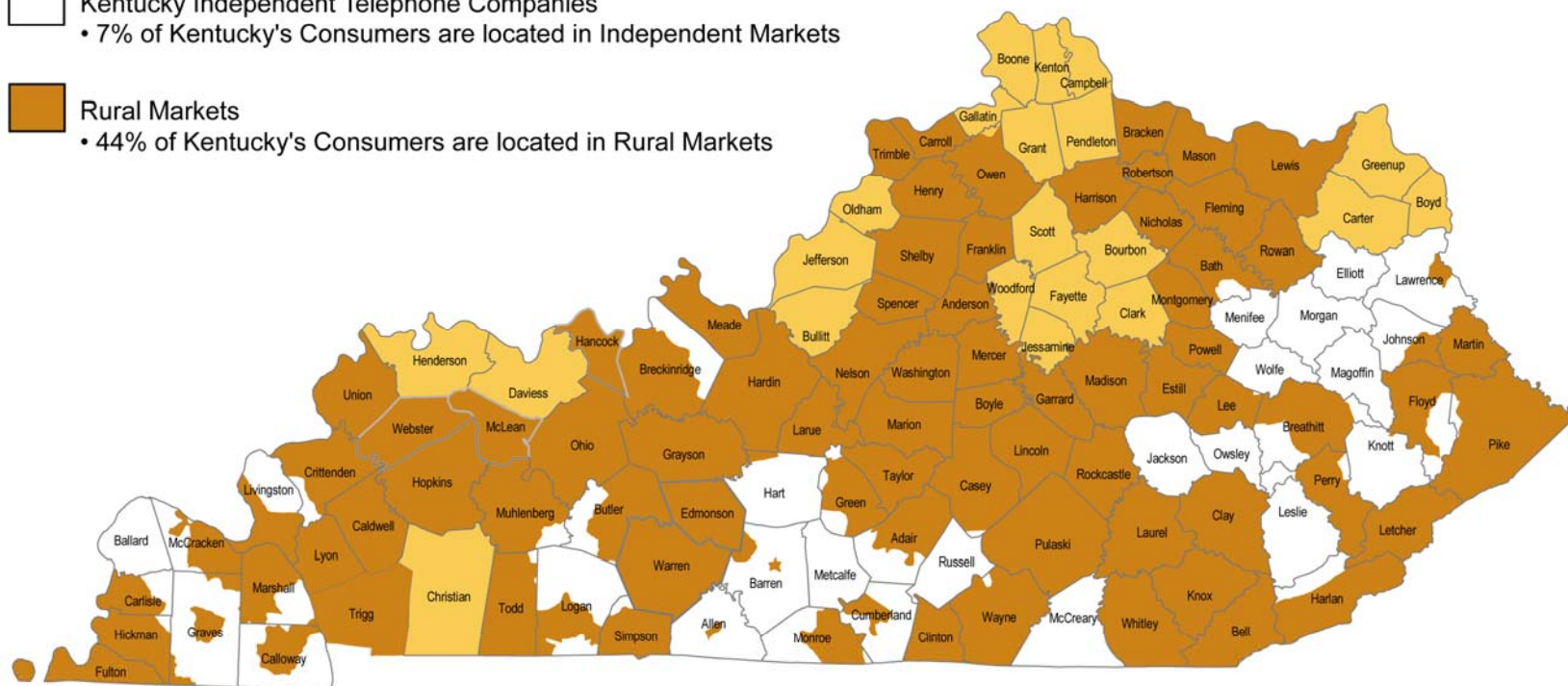


# 40% of AT&T/BellSouth Kentucky Consumers Live in Rural Markets

 Metropolitan Markets  
• 49% of Kentucky's Consumers are located in the Metropolitan Markets

 Kentucky Independent Telephone Companies  
• 7% of Kentucky's Consumers are located in Independent Markets

 Rural Markets  
• 44% of Kentucky's Consumers are located in Rural Markets



• BellSouth, Alltel, Independent, & Cincinnati Bell service areas in Kentucky



# SouthEast Builds Fiber to Rural Areas and Interconnects at Remote Nodes



# SouthEast Needs Access to ILEC Network Elements to Serve Consumers

- Pending our fiber deployment, we still need the opportunity to access combinations of AT&T/BellSouth network elements to serve our consumers.
- AT&T/BellSouth committed to open its local markets to competition by offering “Competitive Checklist” elements, in exchange for §271 long-distance entry.
- AT&T/BellSouth is failing to keep its promises to rural Kentucky.
  - AT&T/BellSouth service quality to SouthEast has deteriorated sharply – causing repeat repairs that harm SouthEast’s standing with consumers.
  - AT&T/BellSouth undermines competition with below-cost “win-back” promotions.
- AT&T/BellSouth adamantly rejects the Kentucky PSC’s efforts to address these issues.

# Action is Needed to Preserve Opportunities for Rural Competition

- State PSCs must have authority to oversee the just, reasonable, and nondiscriminatory rates and terms for RBOCs' § 271 elements in interconnection agreements.
  - AT&T/BellSouth also should offer CLECs discounted wholesale DSL.
  - AT&T/BellSouth should provide CLECs with access to decommissioned copper loops.
- SouthEast Telephone does not object to relaxation of RBOCs' regulatory constraints in markets that have multiple facilities-based competitors.
  - But there is virtually no facilities-based competition in rural Kentucky.
  - AT&T/BellSouth is focusing broadband deployment mostly in urban areas – rural consumers are being left out.